

City of Chicago

Eugene Sawyer, Acting Mayor

Board of Ethics

Harriet McCullough Executive Director

Sol Brandzel Chair

Mary Milano Vice Chair

Rev. Don Benedict Margaret Carter Angeles Eames Rev. A. Patterson Jackson Marlene Rankin

Suite 1320 305 West Randolph Street Chicago, Illinois 60606 312) 744-9660



March 22, 1988



Case Number 88032.A

Dear

The Board of Ethics has reviewed your request for an advisory opinion to clarify the requirements of the Statement of Financial Interests.

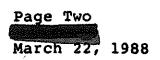
In your telephone call of March 3, 1988 you asked whether a capital gain of over \$5,000.00 derived from the sale of shares of a publicly-owned corporation registered on a stock exchange pursuant to the Securities Exchange Act of 1934 must be disclosed under Question \$3 on the Statement of Financial Interests. It is the opinion of the Board of Ethics that such a capital gain must be disclosed.

Please note that the terms "financial interest" and "capital assets" are not interchangeable. The term "financial interest" (defined in Section 26.2-1(k); attached) means any interest 1) from which the reporting individual receives more that \$2,500 per year; 2) that is worth \$5,000 or more; or 3) that represents more than 10% of a corporation or any legal entity. Some interests, however, are specifically excluded from this definition and need not be reported. For example, an ownership interest of less than 1% of the shares of a corporation that is registered on a securities exchange pursuant to the Securities Exchange Act of 1934 $\frac{1}{2}$ is excluded from the term is excluded from the term "financial interest". This exclusion does not, however, apply to the term "capital asset". must disclose a capital gain of \$5,000 or more

ACT (1275) 20 415



^{1/} See Section 26.2-1(k)(b); attached.



derived from the sale or exchange of corporate securities registered on a securities exchange in accordance with Question \$3 on the Statement, despite the fact that they are not required to report either the value or identity of such shares under Question \$6 which specifically refers to "financial interests".

Thank you for your inquiry. Should you have any further questions, please contact the Board at 744-9660.

Sincerely,

S. Brandzel Chairman

EC/